GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:6796
ANSWERED ON:09.05.2003
BANKRUPT COOPERATIVE BANKS
PRAHLAD SINGH PATEL

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government are aware that a number of district Central Co-operative Banks in Madhya Pradesh have gone bankrupt;

(b) whether the Government are aware of embezzlement in Apex Bank of Madhya Pradesh;

(c) if so, the details thereof; and

(d) the reasons for not taking any decision on these pending cases?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) National Bank for Agriculture and Rural Development (NABARD) has reported that as per available information, none of the 38 District Central Co operative Banks in Madhya Pradesh has been declared as bankrupt.

(b) to (d) NABARD has reported that during December 2002, Madhya Pradesh State Co-operative Bank had detected two fraud cases involvtng an amount of Rs. 9.80 lakh in its two branches. In another case, the bank had filed a case against one of its borrowers for committing a fraud of Rs. 13.10 lakh. The bank had conducted detailed investigations into the fraud cases. On thebasis of its findings, the bank has initiated disciplinary action and criminal proceedings against the officials/party concerned.